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ABSTRACT

The 640 member schools of the Association of American Colleges were surveyed in 1978 to determine interest in curriculum on business ethics. It was also attempted to determine how many schools provided their students with a general education program that included basic courses in the nature and operation of American business. The purpose was to gather information for designing such courses for nonspecialist liberal arts students. The response rate to the questionnaire was about 34 percent. Of the respondents, 28 percent reported offering no curriculum of this kind: the remainder reported that ethics and moral values were part of a wide variety of offerings, but often unrelated to the issues and disciplines of business. Comments showed that the institutions were generally eager to affirm institutional concerns for moral education. Data are summarized here, followed by a summary of research efforts in the teaching of business ethics. Four major reports [The Ruder Report, The McMahon Report, the Opinion Research Survey, and the Buchholz (AACSB) Report, p. 25-26] are reviewed, and the current state and prospects for curriculum examined. Organizations that can provide resources are listed, as are government and foundation funding sources. (MSE)

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THE PROMISE AND PERILS OF BUSINESS ETHICS

by C.E. Huber

aac Association of American Colleges

THE PROMISE AND PERILS OF BUSINESS ETHICS

A Resource for Curriculum Development

by

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1979

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A well-preserved stagecoach office, circa 1840, stands reconstructed in an old California mission. On the wall next to the ticket booth, a sign announces the rules of the road for those who are unacquainted with the vicissitudes of coach-class travel through the heat and dust to Dodge City and points east: "Passengers are FORBIDDEN to discuss POLITICS or RELIGION during their journey."

Undoubtedly, Wells Fargo had noted early on the propensity of their gun-toting fares to resort to Colts and Winchesters under the combined stresses of unpaved roads and political or religious arguments. Indians were less of a threat than a discussion of the virtue of Eastern bankers.

Talk about politics, ethics or religion, long enough pursued, seems fated to produce animosities even under the best of conditions. Take away our weapons at the terminal, pack us on a 747 cross-country flight, and ply us with viands Marshall Dillon could not even dream of, and you still have a guaranteed imbroglio of passions when the subject of abortion arises. A dedicated Democrat defending Jimmy Carter's Georgia Mafia runs a greater risk these days than a Sicilian stoolpigeon. And although the Surgeon General has not yet caught up with Wells Fargo's blunt edict, arguing politics can indeed be harmful to your health.

Rudolph Otto, in his pioneering study of the concept of "The Holy," distilled its essence in the words, "*mysterium tremendum et fascinans.*" Politics—and the moral concepts it embraces: obligation, rights, justice, good and evil, right and wrong—hardly less than the mysteries of holiness, inspires the same sense of fascinating power. It stirs deep within our brain's hypothalmic-limbic complex, according to Harvard sociobiologist Edward O. Wilson, evoking the profound attractive forces and awe-full emotions that attach to our ethical commitments and moral intuitions. Guilt, not only disease, drives demons into our bloodstream and destroys the connective tissue of human relations.

No wonder, then, that so many people react so strongly when confronted with queries about "business ethics." The emotions conjured up by the term cannot be explained merely by its association with the scandals so well publicized by the news media in recent years. Stories of corporate skullduggery generate the heat they do because they, like many other tales of human corruption, evoke our sense of moral outrage, of justice subverted and honor ignored. It is not business, but our moral nature and the inseparable intuitive feelings accompanying moral reason that explain the raw nerve exposed by mentioning the term.

That nerve became evident in a survey conducted by the Association of American Colleges last spring. The AAC survey sought to determine the curricular interests in business ethics of its 640 widely diverse member schools. It also attempted to determine how many schools provided their students with a general education program that included basic courses in the nature and operation of American business. The purpose of the study was to gather information which could support the efforts of institutions which have expressed a need for help in designing courses of instruction both in the field of business ethics and in business generally for non-specialist liberal arts students. An explanatory letter accompanied the survey instrument, describing the purpose and range of the inquiry. Courses in "business ethics" were defined as those which "specifically attempt to incorporate formal academic training in ethics, moral values and moral reasoning into business-related courses or curricula."

The responses to the survey underscore the power of the images created by the term "ethics." These images, in turn, have proved useful in providing caveats and direction for the curricular design of such courses, and they offer a helpful clue as well in understanding the checkered history of business ethics courses on American college campuses.

The Association Survey

The survey form asked five questions regarding the availability and status of courses and programs designed to relate the teaching of ethics to various business courses or issues. A sixth question sought to determine if an institution taught courses in its general education program intended to explain the nature and function of American business. Of the 640 instruments sent out, 217 were returned by the cut-off date for a response rate of 33.9 percent. This was a gratifyingly large return in view of the fact that the survey was conducted at the end of the academic year (May-July 15). Although the response rate was large enough to support some generalizations about curricular trends, this was not a major objective of the survey. The nature of the responses provide more significant information for the development of business ethics courses. This, together with important additional research described below, may provide interested institutions with a first step in the design of courses that enrich their professional and general educational programs and add a dimension of liberal learning which is frequently and curiously lacking.

There was a great diversity of courses listed as instances of the kind defined as "business ethics." Most responses included the requested course descriptions; some included syllabi. It was therefore possible to interpret many responses in the light of the additional information. Nevertheless, the wide range of courses and frequent comments made it apparent that "ethics" has connotations and emotive powers that a sorcerer's apprentice would take years to master.

Going beyond the scope of the particular queries, the majority (71.9 percent) of responding institutions indicated that ethics and moral value were indeed a part of a wide variety of curricular offerings, however often unrelated to the issues and disciplines of business. A clear 28.1 percent indicated no courses of the kind were offered. Among the positive respondents, the survey references to "business ethics" and "courses designed to relate business enterprise to *instruction* in ethics and moral value" were descriptions sometimes hastily applied to courses clearly in theology, history, biology, and other areas. A few professional schools implied that *all* their courses included ethical instruction. Although the instrument was not designed to solicit technical details, the possible ambiguity of the questions when applied to vastly different kinds of schools had, it was hoped, been mitigated by the accompanying explanatory letter. It was evi-

dent, however, that a few respondents regarded the inquiry in general as a challenge to the (moral?) integrity of their institutions. Comments were eager to affirm the institutional concern for the moral dimensions of education generally. Some described the (good) moral climate of their environment, defensively explained their aims and successes in moral education (though not the Kohlbergian or value clarificationist type) or insisted upon the superiority of professional schools in teaching moral values over the efforts of "softer" and less informed liberal arts departments. A number of responses from professional schools included short homilies on the dangers of preachy and dogmatic moralizing allegedly inherent in teaching ethics.

The diversity and reactionary or defensive character of the responses notwithstanding, it was possible to sort out the replies for our purposes. The figures reflect, however, a conservative estimate of the number of institutions offering courses of the sort described. It should also be noted that titles, course descriptions, commentary, and syllabi do not guarantee which practices and subject matter actually occur in the classroom. But this is a weakness inherent in survey attempts of even the most sophisticated kind. In any case, the utility of the survey derives more from the commentary and forms of response than from the mere numbers. That is the subject of a later section of this report.

Responses

Of the 217 timely institutional responses received, over 70 percent were positive as noted, indicating they taught courses designed to relate instruction in ethics and moral value to aspects of business enterprise. Some 240 such courses were listed as taught. An attempt to refine this information yielded the following:

> 21.6 percent of responding institutions had at least one course in business ethics as defined in the inquiry;
>
> 18 percent had at least one course which, as described in accompanying comments, would fall under the broader but not unrelated categories of business and society or corporate social responsibility.

Taken together, 39.6 percent of the respondents had relatively clearly defined courses dealing with business and ethics somewhat broadly conceived. This is only about one-half of the institutions that responded positively on the questionnaire. This is one indicator that "ethics" and "moral value" were stimuli for listing a wide range of ideas and courses beyond those designated. Eliminating those courses not applicable to the purposes of the survey produced 39.6 percent positive responses, accounting for 123 courses, again about half of the 240 originally indicated.

In answer to the other queries, responses were as follows, again after refining the data to exclude detectably unrelated subject matter:

5.5 percent of the institutions reported some of their courses were required in a general education program;

19.3 percent reported some courses were required in a professional business or degree program;

3.6 percent reported they had programs made up of two or more related courses in ethics and business, or sponsored institutes or workshops involving such study;

10.5 percent reported plans to include such courses (or additional ones) in their professional or general education curricula;

18.4 percent indicated that "general education courses intended to explain to the non-specialist the fundamental principles of business in our society" were taught.

In many ways the last question presented the greatest ambiguity to the respondents and the least reliable response. A great many regarded standard courses in introductory economics, management or administration as meeting the sense of the survey. The figure of 18.4 percent, therefore, reflects a very conservative estimate of those whose courses, as described, clearly met the intention and explanatory guidance of the survey.

It was also possible with some satisfactory degree of accuracy to determine from the responses the academic divisions which taught business ethics courses:

53.4 percent of courses spanning the business ethics/social responsibility range were taught in departments or schools of business, management, or administration;

13.9 percent in philosophy departments;

9.3 percent in economics departments;

1.8 percent in religion departments.

The remaining courses were impossible to associate with a given academic entity. Since it was clear, however, that at least some of these courses were taught in liberal arts areas rather then professional schools, it would appear that these areas, which include philosophy, are a clear second to professional schools of business as sources for the teaching of business ethics generally. Only courses clearly falling under the "corporate social responsibility" category had no source in philosophy or religion departments.

Commentaries

No attempt was made in the analysis of the responses to quantify the sorts of comments that frequently accompanied the questionnaire. Almost a third of the positive respondents sent additional pages of extensive information, letters, comments, or school catalogs. Many more included explanatory comment and opinion on the survey instrument itself. A careful

gleaning of this sometimes anecdotal material suggests a few observations which provide a richer interpretive mosaic in light of which the entire subject of teaching business ethics may be usefully understood.

Confusion. The diversity of response, which sometimes went clearly beyond anything referred to either in the questionnaire or the accompanying letter, supports the speculative explanation that many institutions are *concerned* about the development of moral reasoning and ethical judgment as objectives of education; they frequently feel *guilty* that they have no clear idea how those objectives are met in their curricular plans; and they are *confused* about what courses can possibly be identified as meeting those objectives. This may explain the "spill-over" phenomenon often noticed in responses that included references to ethics and moral issues clearly unrelated to business, or reference to public service programs or visiting lectures designed for non-credit students, the public in general, or for faculty growth activity.

Confusion plainly exists about the nature of ethics itself. Little evidence was found reflecting awareness that ethics is as much of an academic discipline as logic or grammar. For many, "ethics" connoted moral opinions which are advocated and should (or should not) be instilled, rather than a vast body of reflective thought about and analysis of the morality of mankind, its principles, values, theoretical justifications, and paradoxes. Conceived as such, ethics was often warmly embraced or sternly disavowed, depending on the respondents' views of academic objectivity, as an element to be taught in connection with business enterprise. That one can learn *about* how a utilitarian thinks in business terms, or how inconsistent a utilitarian can be in honoring various virtues and contracts, *without actually becoming one* (or loathing to become one), seems not to be apparent. The presumption rather appears to be that when ethics is taught, it transforms. Plato and a few other sages notwithstanding, at best its teaching informs—a not inconsiderable achievement, though hardly a necessity for or standard of the possession of virtue.

As the additional research reported below will indicate, this confusion about teaching ethics—and its consequences for academic planning—is no doubt a principal ingredient in the current uncertainty about the need and domain of "business ethics."

Irrelevance. A rather common characteristic of many responses was the stated or implied lack of institutional interest in adopting business ethics courses. As noted, over a quarter of the responses asserted they had no such courses. Some felt compelled to explain the omission, the reasons ranging from lack of time or suspicion about the nature of such courses to concern mainly to help students meet the rigorous requirements for entrance to professional graduate programs. The most frequent response was that no special courses were needed since ethics and values were involved in other standard courses, however indirectly and incidentally. Most of these responses seemed to take for granted that the mere consideration of ethical

issues inherent in, for example, a management course, was *ipso facto* an effort to incorporate formal academic training in ethics, moral values, and moral reasoning. Once again, the confusion of applied moral opinion with the study of ethics as a discipline seems to account for much of the feeling that ethics as a separate subject matter is irrelevant to curricular needs.

Sectarian Concern. Perhaps not too surprisingly, institutions affiliated with religious denominations seemed to express more concern for ethics generally, and the proportion of them having business ethics instruction of some kind was slightly greater than that of public institutions. This may, of course, reflect a tendency to include sectarian moral advocacy into various courses, but course descriptions, commentary, and the range of available courses mentioned seemed to suggest a perceptive understanding of the distinction between moral advocacy and instruction in the discipline and theory. It is speculatively plausible to attribute this understanding to the fact that the liberal arts colleges, which have made much in their traditional rhetoric of the moral objectives of education, have not been so intimidated by demands for objectivity that they have omitted the academic study of the ethical discipline altogether.

Conclusions

The conclusions which may be drawn from the numerical data without injecting severely speculative explanation are reasonably evident.

1. Professional schools or departments teach the majority of business ethics courses available among AAC member schools responding to the survey. Philosophy departments, however, produce a significant number of such courses, though not nearly as many as might be expected from a discipline which, by definition, includes ethics as a constituent subject. Significantly, there was a noticeable paucity of interdisciplinary cooperation between philosophy departments and professional schools.

2. There is a greater tendency to require instruction in business ethics in professional curricula (19.3 percent) than in general education programs (5.5 percent).

3. A very small number of institutions (3.6 percent) sponsor programs, sets of courses, workshops or institutes involving business ethics and attendant issues.

4. Only a small percentage of respondent institutions (10.5 percent) express plans to include specific business ethics courses in their curricula. This number includes, however, institutions which already have such courses as well as some that have none. The number, nevertheless, is significantly small.

5. Only a minority of respondents (39.6 percent) offer specific courses clearly identified as fitting the requirements of business ethics/corporate responsibility instruction, although the majority (about 70 percent) report some consideration of ethics and moral value is given in various curricular offerings.

6. These data, particularly when combined with the associated comments, suggest attitudes of disinterest in the subject as a special course offering, low priority for it as compared to other professional subject material, and suspicion of its intent or confusion about its nature.

7. Less than a fifth of the respondents indicate they provide instruction about the nature and function of American business in their general educational curricula.

8. A similar disinterest in or lack of appreciation for the pervasive effects and fundamental importance of business as a social institution thus seems evident in the lack of general business courses within non-professional, general education curricula.

Society may be afflicted with outrage, disillusionment, or gross misunderstanding as a consequence of the media's reporting about business and the dynamics of the profit motive. However, these effects have clearly not generated a proportionate response to the need for the academic study of business as an institution with vast social consequence. In the absence of academic institutional concern that liberal education accept the responsibility for educating students objectively about the workings, contributions, and hazards of American business, it is not surprising that business itself has begun to fund chairs in "free enterprise" and cultivate sometimes partisan student activity. It is regrettable that education, particularly liberal learning, should so narrow its focus that it leaves a subject of such fundamental importance to the mercies of newspapers, hucksters, and the more partisan interests of business enterprises.

To study the complexities of our economic system does not entail partisan propaganda, praise, or blame. But without an understanding and rational appreciation of the system, persons are left to the unintelligent and reckless forces that prey upon ignorance. The social and economic consequences of this educational apathy are evident everywhere in public life. The survey gleans little comfort from the courageous efforts of the 18 percent of the responding schools that those consequences will be rapidly diminished.

A review of more comprehensive and detailed studies of the teaching of business ethics particularly, confirms in major ways the findings of the AAC survey. A summary of these research efforts is sketched in what follows, together with a critical analysis of some of their major contentions about issues which directly bear on the goals of liberal learning. This study can provide important additional resources and guidance for schools seeking to develop plans for the introduction of business ethics into their curricula.

Business Ethics and Business Schools

Not much was done in assessing the status of academic instruction in business ethics until the scandals in the electrical industry of the early 1960s. Brief and informative descriptions of the progress of this instruction are contained in two important sources: *The Report on the Teaching of Socio-Ethical Issues in Collegiate Schools of Business*, by Thomas McMahon, Loyola University, Chicago, and commissioned by the Center for the Study of Applied Ethics at the Colgate Darden Graduate School of Business Administration of the University of Virginia (1975, 188 pp.) and especially in *Teaching Business Ethics* by Charles Powers, Executive Director of Public Policy for the Cummins Engine Company, and David Vogel, Associate Professor in the School of Business Administration of the University of California at Berkeley (to be published under the auspices of the Hastings Center, Hastings-on-Hudson, New York).

In 1962, a study of the status of business ethics teaching was conducted under the direction of the then Assistant Secretary of Commerce, William Ruder. The study remained unpublished, but a synthesis of its results was included in a book by Raymond Baumhart, S.J., entitled *An Honest Profit: What Businessmen Say About Ethics in Business* (New York: Holt, Rinehart and Winston, 1968).

Judging from the escalating volume in the 1970s of studies, criticisms, exhortations, pleas, and position papers concerning business ethics, it seems clear that combined influences of corporate scandals, Viet Nam, Watergate, and growth of government regulation and consumer group power have sparked the conscience of capitalism's students. Almost each year of this decade has seen major contributions to the discussion of the need, the function, and the domain of this difficult-to-define area. In this report, we single out as particularly useful the so-called Ruder report of 1962; the McMahon report of 1975 mentioned above; a study entitled *The Business and Society Course and Its Discontents* by Robert Holloway and Delbert Hastings of the University of Minnesota, Working Paper, College of Business Administration, University of Minnesota, 1978 (27 pp. and appendices); a 139-page report and 32-page summary sponsored by the American Assembly of Collegiate Schools of Business and the Center for the Study of American Business, Washington University, St. Louis, entitled *Business Environment/Public Policy: A Study of Teaching and Research in Schools of Business and Management*, by Rogene A. Buchholz, Working Paper No.

41, Center for the Study of American Business, 1979; and the report of an unpublished survey conducted in 1979 by the Opinion Research Corporation, Princeton, New Jersey, sponsored by American Viewpoint, Inc., and made available in part to the author through the courtesy of Mr. Ivan Hill, president of American Viewpoint, Inc .

These reports bear in many ways on the AAC survey and support many of its chief revelations and contentions. In each instance, these studies were more comprehensive, detailed, and analytical, with their information almost exclusively derived from professional schools. The domain we label business ethics ranges in these reports over courses in so-called socio-ethical issues, business and society, public policy, business-government relations, corporate social responsibility, external business environment, the personal ethics of executives, and courses in the evaluation of forms of economic organization such as capitalism.

The Ruder Report. The major business scandals of the early 1960s provoked the United States government to publish *A Statement on Business Ethics and A Call for Action,* in 1962. That same year, the Ruder study sought to determine the status of the teaching of business ethics in 104 business school members of the American Assembly of Collegiate Schools of Business (AACSB). Seventy-one percent replied and, of these, two-thirds offered no special course in the subject. However, *every* respondent professed concern that ethics instruction should be included somehow in their curriculum, two-thirds favoring its integration with other courses (cf. McMahon, pp. 5 and 16). The indignation with corporate conduct which had aroused the federal government to a call for action was not sufficient, however, to stimulate the birth of special studies of the phenomenon.

The McMahon Report. The Great Society programs of the ensuing years created vast changes in the cultural and business climate. More corporate crime, intensifying consumer demands, civil rights advocacy, and other well-known social upheavals created harsher conditions for business and a noticeably deteriorating image. In the midst of these unfavorable conditions, the McMahon report was issued in 1975, based on data gathered from business schools in 1973 under the auspices of the Center for the Study of Applied Ethics at the University of Virginia. This remains, in some respects, the most comprehensive analysis of business ethics teaching to date.

The survey had a response rate of 65 percent, representing 428 reporting institutions and 550 questionnaires. Loyola's McMahon reported that more than 60 percent indicated no specific course in what the survey termed "socio-ethical" issues. (The term was defined to include personal values as well as corporate behavior.) Among the 39 percent which had a course, only 6 percent employed team teaching techniques. Among religiously affiliated schools, some 70 percent had no such course. Though only about 10 percent indicated no interest in the subject, the most frequently mentioned reason for not having a course was lack of need, since the issues were covered in other courses (McMahon, *op. cit.*, pp. 13-20). A significant 14.4 percent

reported that no qualified person was available to teach such a course. A year after these data were collected, the president of the National Association of Concerned Business Students, Kirk Hanson, reported a general lack of interest among MBA candidates in such courses (McMahon, *op. cit.*, pp. 21 and 127).

Without much support from his rather dismal findings, Fr. McMahon vigorously defended the need for business ethics instruction in professional schools. He castigated the nation's business executives for their Janus-faced pronouncements and for "losing the opportunity to exert their influence in this area of collegiate programs." He charged that programs in public administration, among which only 5 percent had an appropriate course, were insensitive towards students; he offered six comprehensive recommendations for the reform of the professional schools including six crisp directives for the conversion of business executives' unsupportive behavior (*op. cit.* p. 110-124).

Opinion Research Survey. In 1979, six years after the McMahon data were gathered, the Opinion Research Corporation of Princeton, New Jersey, surveyed 134 AACSB accredited graduate schools of business and some 43 percent responded. The results of this report show that the prospects for business ethics had diminished drastically during a period in which, if the bribery stories were true, Rome was burning. Although 98 percent of the respondents casually indicated that ethics (undefined) was "included as part of other courses," 84 percent, the highest figure ever, did not teach a separate ethics course in either business or public administration programs and only 10 percent planned to include such a course in the future. The common reasons cited for absence of ethics courses were no need, since it was included elsewhere (56 percent), lack of faculty interest (17 percent) and the unavailability of qualified instructors (15 percent). In identifying the obstacles to conducting a separate ethics course, however, 39 percent of the deans cited lack of trained faculty and 25 percent reported disinterest in the subject. Similarly, it was reported that fewer than 10 percent of the students in professional programs actually enrolled in such courses. If Rome was burning, Caesar was still fiddling—and without music lessons.

The Buchholz (AACSB) Report. The American Assembly of Collegiate Schools of Business, the national accrediting body for professional business schools, had declared in 1967 that one requirement for approved curricula must be the equivalent of one year of study in the economic and legal environment of business "along with considerations of the social and political influences as they affect [profit and/or non-profit] organizations." Since neither that requirement nor the sordid economic history of the following years had produced any dramatic changes in regard to ethics courses, in 1974 the Committee on Curriculum and Standards of the Division of Social Issues in Management of the Academy of Management levelled a broadside

at the AACSB's so-called Standard IVb. As reported by Powers and Vogel in *Teaching Business Ethics*, the attack concluded, "To permit this subject to be met by being frittered away as a matter of secondary concern in other courses. . . is to distort the perceived significance of the subject matter in the mind of the student." The AACSB subsequently added a phrase referring to "ethical considerations" in Standard IVb.

Two years passed. Then in 1976 and 1977, two meetings of business school deans were held in Washington, D.C. to address reforms of government regulation and issues of public policy. The Buchholz report notes that the deans then voiced the belief that "something new was happening with respect to the role of business in society . . .," and that "the response of business schools to the dramatic changes in the business environment has been inadequate" (*op. cit.* pp. 3 and 4). As a result of these concerns the Buchholz study, *Business Environment/Public Policy: A Study of Teaching and Research in Schools of Business and Management* was initiated by the AACSB and Washington University's Center for the Study of American Business. Rogene Buchholz, a research associate at the Center and assistant professor of business administration in the University, authored the carefully detailed and comprehensive report on the basis of work by a task force of scholars. It was published in February, 1979.

The survey on which the report was based was sent to 530 member schools of the AACSB and 372 replies (70 percent reponse) were counted in the analysis. In addition, 41 scholars in the areas of public policy and business environment (defined to include ethical studies) were interviewed along with 28 people involved with public management programs in schools of public affairs or administration.

This study reports that 307 schools (82.5 percent) taught one or more "public policy courses." This term was used to include a broad range of courses dealing with business and society and legal and organization environments. Over 30 different title samples and six different categories of courses were lumped under the term. No attempt was made "to focus on any particular kind of response." The role that formal ethics instruction actually has in these courses is therefore somewhat obscure. The report claims that the general orientation of most of the courses is managerial, corporate social policy, legal or economic, although "most schools (70.7 percent) also cover ethics and values despite the difficulty of dealing with these subjects" (p. 44). Furthermore, "ethics and values are covered by almost three-fourths of the schools as consumer issues" (p. 103). Over 1000 different courses were counted, taught by 1130 faculty, less than 30 percent of whom were full time in the area. The majority of courses (54 percent) were electives.

In those minority cases where no specific courses were taught, the common reason given was that the issues involved are taught in other courses (7 percent). Only 9 percent indicated lack of student or faculty interest. By far the most common department engaged in teaching public policy courses is

management (59.9 percent), followed by economics (27 percent) and business law (21.8 percent). Philosophy was represented only as one among a few write-in answers.

The problems associated with teaching required public policy courses centered largely around the "softness" of the materials and the poor perspective students brought to the subject (51.2 percent), with 15 percent complaining that instructors taught their own values. The intensity of these concerns, however, was not severe, only 24.8 percent reporting "very much" concern.

In view of the preponderance of technical and quantified subject matter dominating the range of "public policy" courses, the interviews with 41 recognized leaders in the general field, from 19 major schools, are instructive. No single subject matter had more support from them than that which was, as the report states, "more philosophy, liberal arts, or political science oriented rather than technical" (p. 73). In response to the question of what the priority subjects are to be taught in a required course on public policy/business environment, the highest number of responses given to any course was ascribed to "values and ethics." Only two other subjects received such a high level of response—business history and business-government relationships. The 41 leading teachers in the area had views of the purpose of such courses represented by statements such as, "Students should get a sensitivity to changes in the *qualitative* non-economic environment and get a *broader* appreciation for the setting of business." (Emphasis supplied.) And, "the course should provide a broad perspective. . . . It should provide a philosophical basis for making decisions as well as provide specific information about current issues" (p. 75).

Well over half of the 41 persons interviewed felt that student attitudes were positive toward the courses, only four characterizing them as poor or negative. However, when it came to faculty attitudes, over one-third of the group expressed the belief that faculties at their schools were either generally negative or had indifferent attitudes toward the area of public policy/business environment (pp. 76-77).

One may wonder, in view of this "expert" opinion, how, and indeed why the specialized and narrowly conceived courses in this area of the professional curriculum came to be dominant at all levels and apparently remote, as well, from the domain of qualitative and non-economic "ethics and values" which these leaders so strongly favored.

It is also not easy to reconcile their recorded responses with the implications of some of the report's conclusions. It is asserted that most of the 41 business school faculty interviewed had defined the public policy/business environment area in terms of the "external environment," which specifically includes business ethics and values. And the report indicated their strong support for broad, non-economic, qualitative subject matter, especially ethics, values, and business history—the stuff of liberal arts and philosophy. Yet the report concludes (p. 99) that this definition "represents

a movement beyond . . . viewing the field as merely the liberal arts frosting in the business school curriculum." And again, "the field is becoming more rigorous, analytical and management oriented . . . as long as the area is seen as a service area or as liberal arts frosting, faculty in the area will be viewed as second class citizens " (*Ibid.*). However true all that may be, it does not represent the voice and choice of those designated as "leaders." Unless, of course, the disciplines of history and philosophy have been swallowed up unawares by the curricular imperialism of the professional schools—a phenomenon which someone has rather unkindly called "a slough of Despond, where armies whole have sunk."

The report makes clear in its excellently detailed analysis that the main problem confronting the area of public policy/business environment is the lack of qualified people to teach and do quality research. It stresses the need, in addition, for separate courses in the area, a need supported by the questionnaire and interview data. Despite the reported lack of consensus about the nature of the basic theory for the field (corporate social responsibility being a "fuzzy concept, too hard to define, too moralistic and too peripheral"), the study asserts that most of the people interviewed favored an approach to the subject of ethics which sensitizes students, or makes them explicitly aware of the ethical dimension present in managerial issues. A second approach, that of examining ethical variables in decision making "through formal structures of moral reasoning," was less favored because it "would require someone with an advanced degree in the field of ethics" while the former approach was not judged to require dealing with ethics in a formal manner at all (p. 104).

In its lengthy, 24-page set of recommendations, the report urges that attention be given in *required* courses to a variety of knowledge and skills in the public policy and business environment area. With respect to the social and cultural aspects of the external environment, the study avers that "business school students should know something about values—what values are, how they change, how business shapes values in society, and how changes in values impinge on business." Again, "ideology is very much a part of the social and cultural environment, as is ethics—the current state of ethical thought and what ethical trends exist . . ." (p. 108). Later, but under the heading Elective Courses, the report suggests a series of courses which may be useful to those schools which "have the resources to expand their offerings in the public policy/business environment area." First among them is listed *Ethics in Business* with the following caveat: "If schools are thinking of a separate course in ethics, there is no doubt that academic respectability requires some consideration be given to the formal structures of ethical thought which has [sic] evolved through history. . . . Someone with formal credentials in ethics must be involved for this approach to be successful" (p. 115). The report goes on to recommend, in this instance, team teaching or division of a course between two instructors.

Professional moral philosophers, most likely philosophers of any kind,

would quarrel with the conclusion that ethics, its history and formal structures of reasoning, can or must be reserved to them while the "study of values, what they are, how they change," and the current state of ethical thought inherently a part of the social environment can be taught by just about anyone in the business schools. They may also find it curious to hear that there are some kinds of ethics which can be so neatly separated from the social environment that they need no formal structures of reasoning to deal with them. Intuitionists, it seems, have conquered all.

Some philosophers might also tend to believe that *anyone* who teaches an ethics course with the intent only to "sensitize" students, or to make them "aware" of the ethical dimension of management decisions presumes too little about the common sense and moral character of students. Such narrow objectives for ethics will likely achieve no more than the generality, mushy moralizing, and injection of personal values which are so loathsome to the survey's respondents. Indeed, one may indulge the fantasy that if sensitizing and awareness are all that need be sought in the preferred approach to ethics instruction, the deans might more economically resort to electric shocks at appropriate points in case studies. These are already effective in other forms of conditioning and they may save a salary. In which case, the limerick will have been ultimately, if only metaphorically, realized:

> The word has come down from the dean
> That with all these new teaching machines,
> King Oedipus Rex could learn all about sex,
> Without ever touching the Queen.

Whatever the reaction of philosophers may be, the report has resolutely faced the difficulties of attempting to give definitive form and substance to a field of learning filled with apprehensions, vagueness, and abuses. The checkered history and status of the business ethics course is hardly surprising. The lack of definition for the area is no doubt a principal reason for the controversy over who is to teach and what is to be taught. But human morality itself is a motivator so powerful and pervasive that attempts to confine its influence and objectify its content in purely rational ways will probably never have unarguable success. Business ethics as a facet of that morality may have its clarity dulled as a consequence, but that is no reason for despair. Indeed, the qualities of *tremendum, fascinans*, and raw emotional fervor inhering in the mystery of morality are precisely the powers that most need to be held in check by the calm and cool of reason's rule. Ethics need not be a quagmire of thoughtless emotion, subjective bias, or fuzzy thinking. But if it is to be more in addressing the concerns of business and management, these specializations will have to acknowledge and use the scholarship which has for several millennia subjected morality to rational analysis and produced a discipline that business can ill afford to ignore.

The Holloway-Hastings Report. Perhaps the most common response of professional schools to the demand that they attend to the new, dynamic changes in the relation between business and society has been the initiation

of a course usually called "Business and Society." Its career, however, has been uneven and its reputation in doubt, as can be seen from the reports documented in the previous sections of this work. Faculty indifference, student disinterest, charges of mushy subject matter, bias, moralism, superficiality, and lack of adequate textual materials and qualified staff, have haunted its life in academe and discouraged its teaching by top-flight faculty. The Holloway-Hastings study set out to evaluate the status of these courses in 1978. Written by Robert Holloway and Delbert Hastings of the business school of the University of Minnesota and supported by the Levi Strauss Foundation, the study was published as Working Paper No. 44 by the College of Business Administration, University of Minnesota in August of 1978.

The report acknowledges that the business and society course "has not achieved the stability and acceptance of the traditional functional courses" but seeks to encourage its acceptance (p. 3). A mail survey of 90 leading AACSB member schools was conducted, 47 of which responded (52 percent). In addition some 50 businessmen, business college faculty, government officials, and association exeuctives throughout the United States were interviewed. Forty-one of the 47 mail respondents (87 percent) reported that they had a course in the business and society area (undefined). When asked their opinion of the state of the relation today between business and society the study reports that a significant proportion of respondents "saw ethical matters as one among many concerns of the public about the corporation," and that they "placed the entire relationship of business and society in a framework of ethics rather than, say, in sociology or cultural change" (p. 10).

The authors attempt to present a composite of institutional and respondents' views about the purposes served by business and society courses. Among the 16 objectives listed, four (25 percent) are directly concerned with developing student understanding of values and the philosophical and ethical foundations of the American economic system. Specifically included is the objective of developing skills in "analysis of ethics and morality in business. . ., in judgments of what the behavior of corporations should be, and in dealing with ethical conflicts and ambiguity" (pp. 13-14). The report notes that these objectives were not common to all schools and that the large range of objectives indicated that the course differs considerably among them.

In answer to the question "What are your biggest problems relative to the Business and Society course?" the problem area cited as basic and most critical is "the lack of substance and rigor in the material and field" (p. 16). The authors speculate that the "lack of substance may also contribute to the complaint that the course often lacks objectivity and tends to get lost in biases, subjective judgments and emotions" (*Ibid.*). The remaining problem areas mentioned are faculty members' qualifications, negative student attitudes, lack of support from other business faculty, and unsatisfactory

teaching materials.

In their attempt to assess the significance of these findings, the authors conclude, among other things, that the uncertain success of business and society courses may be attributable in part to the fact that they were "born in advocacy and fervor, not in scholarly appraisal and calm judgment" (p. 24). Now that many of the issues which generated the course are dealt with in other contexts, they speculate, the spirit of advocacy no longer sustains an avenue of expression in this form. The authors suggest that the future of the course may be enhanced by broadening the motivation for teaching it to include concerns for the "history and philosphy of business" generally. A major and lasting effect of the course, they believe, is the emphasis and depth it can provide to the study of the management of external affairs.

In the jargon of the trade, "external affairs" includes *all* the dimensions of business's interaction with society, as clearly stated in the AACSB report. And in every study examined, the moral and ethical dimensions of this interaction were noted. Indeed, the experts interviewed in the AACSB study seemed to think of the ethical dimension as basic and central, despite the report's tendency to relegate ethical studies to the periphery of concern, deserving of elective but not required status. Similarly, the Holloway-Hastings report acknowledges that a significant number of respondents regarded the entire business-society relation wholly in the context of ethics rather than as a non-normative sociological issue.

It is evident from all these studies, however, and perhaps understandable as well, that the ethical substance of the business environment is generally regarded by professional schools as "difficult to deal with" (Buchholz), the cause of subjective bias, intractable superficiality, and cognitive imprecision. The inescapable presence of the ominous moral dimension, though clearly perceived, is studiously avoided, like a sailboat running before a storm. Courses proliferate, become more "analytical" and specialized, but skirt the harder issues, the non-quantifiable, non-economic core of ethics and values. Cost/benefit computations do not, it seems, blend well with the subtleties of conscience.

Ironically, the aroused moral sensitivities which Holloway-Hastings allege generated the business and society courses ("born in advocacy and fervor"), are gradually attenuated or ignored as courses become more "technical." Government regulation becomes the focus of attention rather than the ethical reasoning and moral theory with which any regulation of life must ultimately be judged. Faust is a good metaphor for business ethics study. It has preserved its life but has lost its soul. If, as Holloway-Hastings claim, there is lack of substance in these courses, it is not because ethical study has none, but because ethics has been understood as moral rhetoric ("sensitizing" students) rather than as a reasoned discipline. To give substance to the course it is not necessary to abandon a "soft" area for the hard data of other courses, but to confront the ethical dimensions of business with the rational tools of moral philosophy.

The Curricular Prospect

The status of business ethics courses has clearly been unaffected by the counsel that curricula ought to reflect the needs and demands of the market. For all of at least two decades we have seen powerful changes occur in morality, social attitudes, governmental and business roles, and the growing disintegration of public esteem for corporate (and other) institutions. Yet neither liberal arts colleges nor professional schools have seemed to acknowledge the benefits and importance of studying the moral dimension of these profound changes—a dimension basic to understanding their essence and perhaps necessary for their direction. When recognition was finally granted in the business arena and courses were developed, they were unstructured, amorphous, sometimes moralizing displays of "social concern." They were ungoverned by any clear conception and integration of ethical theory and business practice.

Since most courses were taught in the professional schools by academicians who generally had no special training in the subject (though a high interest quotient), the subject matter varied wildly among the schools. Consultation with professionals in ethical theory was pursued only rarely if at all. An insignificant proportion of courses were team-taught. In response to the lack of student interest, collegial apathy and suspicion, and the difficulty of finding and creating appropriate teaching materials, instructors who persevered gradually moved from the specific ethical concerns which initially motivated them to subjects about which they knew more and their peers approved. The courses could also pass as more hard-nosed, statistics-ridden, management-centered courses with discernibly greater career value.

The titles often remained the same: Business Ethics, Business and Society, Corporate Social Responsibility. But that was only the ghost of the machine. The real content came more and more to deal with environmental forecasting, the regulatory process, business law, and macroeconomic policy. Of the forty texts cited as most commonly used for these courses in the AACSB report, not a one deals directly and exclusively with ethical theory. The disparity among the Opinion Research Corporation, AAC, Holloway-Hastings and AACSB surveys (all taken within about the same time span) regarding the number of institutions having courses in the field reflects this erosion of ethical content.

The Opinion Research Corporation report indicated that 84 percent of the responding institutions did not have a course which the questionnaire

described as a "specific course in ethics." The AAC survey found that 60 percent did not have a course which related business to "instruction in ethics and moral values." (The McMahon data, taken in 1973, indicated over 60 percent had no course in "socio-ethical" issues.) Yet, the AACSB survey, which described it as a "public-policy/business environment course," found that 82 percent of the respondents *did* have such a course. The Holloway-Hastings survey found that 87 percent had a course in "business and society." The discrepancy suggests fairly forcefully that few conceived of public policy, business environment/business and society courses as primarily ethical. However, every dean in the Ruder report and the great majority of respondents in the AAC, McMahon, and AACSB studies acknowledged the inherent importance and underlying presence of ethical content. It is almost always "included in other courses."

The causes for these phenomena are not difficult to single out. Running throughout the commentary, numerical data, and recommendations displayed in these studies is a persistent apprehension and confusion about ethics. There is a natural reluctance for specialists in business to master another specialty ominously called ethical or moral theory, if and when they recognize that field as relevant. Reasons of institutional structure and economics, even pride, make faculty wary of interdisciplinary efforts. It is easier to persuade oneself that ethical issues can be avoided or deemphasized in the course than to acknowledge the need for new (but "hard") information from another discipline. So the imperatives of ethics and values are dealt with, but the emperor gets new clothes. The skills and technical literature that comprise the *discipline* of ethics are ignored.

The frequent result: "mushy" moralizing, "soft" materials, lack of "rigor," and "liberal arts frosting." Or, what is equally distressing, an abandonment of ethically informed content entirely. The AACSB study forthrightly asserts the need for specialists in ethics, if an "ethics" course is to be taught with integrity. But it clearly assumes that business professionals are singularly capable of handling "external environment" courses which necessarily include "values and how they change" and "the current state of ethical thought." Over 70 percent of the surveyed schools "cover ethics and values despite the difficulty of dealing with these subjects." Faculty *apprehensions* prevent calling the course "ethics." Faculty *confusion* permits the deception that courses in corporate social responsibility, consumer rights or government regulation involve no ethical knowledge or skills.

The misconception also exists that ethical study is necessarily partisan and subjective. Specialists fear departing from the safety of objective analyses and the protective womb of quantitative methods. Mix that fear with a conception of ethics as essentially emotional, religiously adulterated or laced with heady distillates of the lotus plant, and few instructors will find the courage or appetite to tackle the subject. It is true, of course, that current controversies about socio-economic, managerial and corporate affairs reek with Demosthenian rhetoric. Uncontrolled and unanalyzed moral

intuitions recklessly applied in partisan bickering are so common that it is puzzling to hear expert business professors recommend a pedagogy of "sensitizing" students to the moral dimension of business decisions. What Ralph Nader has failed to accomplish by way of jangling the public's nerves will not likely be achieved by the Harvard Business School.

But philosophers, at least, are acutely aware that Plato, Aristotle, Epicurus, Augustine, Butler, Hume, Kant, Bentham, Mill, Frankena, Stevenson, and Rawls have also failed to incite the masses to action in a frenzied search for justice (or wisdom). These moral sages have rarely sported the demeanor of Berkeley's barnstormers. Plato completely flunked as a social reformer in Syracuse. And Adam Smith, a somber and glorified professor of moral philosophy, was no less an ideologist than Marcuse. The *discipline* of ethics has commanded the attention to the best intellects of the ages without their noticeably scandalizing social institutions and unnerving commonwealths. That work is usually left to choleric tempers who know less and feel more.

In short, there is nothing about "ethics" that need provoke professional paranoia. Indeed, without its discipline—reason's lash against gut feelings—the risk to personal freedom in an age of raucous competitive powers is staggering. The rivalry among interest groups, the competing claims about, and for, economic justice and the incessant revelations of plainly immoral or arguably unfair business (church, government, parental) practices make it imperative that these issues receive the most critical scrutiny and the most carefully reasoned efforts that a free society can insure. To the extent that ethical reasoning is impoverished or in default, either the "masses will follow the bards and make the crowd their teacher," as Heraclitus said, or the freedom of individual judgment will be replaced by the omnipresent conditioning of an Orwellian state. Rational moral argument is the only promising escape from anarchy and despotism.

Society is confronted with great dilemmas rising out of our own traditions which, if they are not terminal challenges to existence, are certainly acid tests of the democratic process. Education cannot expect to serve its students well in acquiring a liberating life when it fails to provide them with the fundamental framework and skills for thinking about morally contentious problems and for identifying the paradoxes. Yet, in the case before us, education often seems to do just that. It should be as unthinkable that we would attempt to weigh the moral freight of the business environment without regard to the formalities of ethical reason and theory as it is for us to imagine Watson and Crick refusing to learn x-ray crystallography in their pursuit of the genetic code.

In his book, *Advice to A Young Scientist*, Nobel Laureate P.B. Medawar observes:

> We always need to know and understand a great deal more than we do already and to master many more skills than we now possess. The

> great incentive to learning a new skill or supporting discipline is an urgent need to use it. For this reason many scientists. . .do not learn new skills or master new disciplines until the pressure is upon them to do so.

He fails to note that for some there is never enough pressure.

Clearly ethicists are not management experts and professors of public policy are not philosophers. But each needs to learn from the other if their forays into business ethics are to be responsible products of sustained scholarship. Reluctance to adopt methods of team-teaching or interdisciplinary study and preparation, whatever the economic obstacles, can only assure, at best, mediocrity in a vital field of inquiry whose content is at the very core of the liberal arts, the business profession, and our common weal.

A word of caution is in place here, lest it be thought that these appeals for ratiocinative precision and informed theoretical knowledge in ethics are cloaks for partisan indoctrination or, at the other extreme, for a kind of relativistic neutrality. Value clarificationists and cognitive moral developmentalists like Lawrence Kohlberg are keen on insisting upon the neutral stance of (proper!) ethics teaching. Their own advocacy of respect for the moral autonomy of students which motivates their concern betrays their own program and demonstrates the hopelessness of their aim. The interactions of teaching and learning are eminently human exchanges in which moral beliefs are bound to be expressed and clash. But not all witness to one's moral beliefs is an attempt to indoctrinate. Rational moral argument is not advertising. And not all conflicting moral beliefs are expressions of dilemmas which have no correct answer or solution. There is a distinction between the effort to develop character and inculcate moral virtues on the one hand and conveying information and practicing skills involved in moral reasoning on the other. There is also a distinction between the attempt to "sell" ethical relativism (a "moral position") and pointing out that there is such a position and that it has, or may have, inconsistencies. Learning the difference between forms of utilitarianism and deontological theories, analyzing how Hobbes's state of nature differs from Rawls' nature of the state, categorizing the virtues, defining "duty" and assaying the role of intentions, rules, principles, and consequences in moral decision-making are not propagandistic tasks. They are educational necessities. And in turn, applying this knowledge to existing issues is not a covert scheme to shape opinion and attitude any more than teaching grammar is a subversive way of preventing a person from choosing to study a different dialect. But there are commonly correct and incorrect ways of reasoning in ethics just as there are such ways of writing a language. There are better and worse methods of constructing justifications for an ethical imperative just as there are more or less artistic ways of constructing a sentence.

Teaching ethics and applying moral theory to realities may or may not have the effect of nurturing virtue and diminishing vice. But the one virtue

to which they are intended to habituate students is commitment to the exercise of their intellectual capacities for discernment and judgment, reflection and analysis. This, it would appear, is a less self-deceptive goal than the "neutrality" of clarificationists and developmentalists. And it honors the autonomy of moral agents by enabling them to execute their fullest capacities for moral choice. Only when they do so shall we have the ethical deliberation necessary for a free and responsible society. Surely, such a goal is eminently worthy to be an essential part of a liberating education in any school.

Resources for a New Beginning

Most of the problems involved in teaching business ethics have not gone entirely unnoticed. Philosophers, business school faculty, businessmen, and educational and professional organizations have finally heard the high pitch and swelling decibels of the controversy. A few are doing something about it. Colleges and universities, schools of business, and individual faculty members interested in making a fresh approach to a rancorous curricular issue may find in the new initiatives reviewed below substantial help and guidance for some constructive effort. Understanding the dispute about and motions toward the integration of ethical theory and business practice will not, of course, guarantee consensus or perfection. Knowledge is not virtue and axes are easier to grind than bury. But Shakespeare gave a clue to those whose hubris inhibits them from exploring new possibilities:

> They say best men are molded out of faults
> and, for the most, become much more the better
> for being a little bad.
>
> —*Measure for Measure*

American Assembly of Collegiate Schools of Business. This accrediting body for professional business schools recently devoted an entire annual meeting to issues raised by public and academic concern for corporate social responsibility. It has published the excellent study written by Rogene Buchholz discussed at length in this report. That study should probably be the starting point for any institution wishing to develop a sense for professional school perspectives on business ethics courses. Professor Buchholz is associated with the Center for the Study of American Business at Washington University in St. Louis. Executive Vice President of the AACSB is William K. Laidlaw, Jr., whose offices are at 11500 Olive Street Road, Suite 142, St. Louis, Missouri 63141. During summer 1979, the AACSB sponsored three major conferences across the country on Business, Environment, and Public Policy issues. An excellent bibliography was compiled for these conferences by Lee Preston of the School of Management of the State University of New York at Buffalo entitled *Bibliographic Materials*. In addition, the AACSB has maintained as part of its organization a Business Environment/Public Policy Task Force. The AAC acknowledges the important cooperation of this organization in providing helpful information and, in particular, the services provided by Terri Rosenblatt, the Assistant Director of International and Governmental Affairs for the AACSB Washington D.C. office.

Association of Jesuit Colleges. This organization has sponsored a 1979 summer conference on the teaching of business ethics at the University of

Santa Clara, directed by Peter Neary of Fordham University's Graduate School of Business Adminstration. The proceedings of this meeting were too late to be included in this study. Fr. William McGinnis is Executive Director of the Association with offices at 1717 Massachusetts Ave., N.W., Washington, D.C. 20036.

Bentley College. The Center for Business Ethics is located at Bentley College, Waltham, Massachusetts, a liberal arts institution leading the way in developing and distributing model syllabi in business ethics and compiling bibliographic resources and other materials in the field. It also sponsors well-known annual conferences on related topics featuring nationally recognized faculty and business leaders. Under the stimulus of the Center's director, W. Michael Hoffman of Bentley's philosophy department, plans are being developed to organize a society of professional philosophers specializing in business ethics. Bentley's third annual conference in October, 1979, had as its theme, "The Work Ethic and Business." Professor Hoffman's address is Bentley College, Waltham, Massachusetts 02154. Proceedings of Bentley's *Second National Conference on Business Ethics* are currently available from the University Press of America.

Center for the Study of Ethics and the Professions. This three-year old Center at the Illinois Institute of Technology publishes a large collection of bibliographic data in a wide area of applied ethics. Copies of over 100 articles from *Business and Society Review* on business ethics topics are also available. Write the Center at the Illinois Institute, Chicago, Ilinois, 60616. Ernest d'Anjou has been the project manager.

Center for the Study of Applied Ethics. An institution with a long history of concern and action in the field of business ethics is the Colgate Darden Graduate School of Business Administration at the University of Virginia. Its center has published two large collections of selected bibliographic materials in applied ethics, available in two volumes spanning the years 1950-1975. References are by academic area with author and subject indexes provided in the first volume, which is devoted to applied ethics in many other fields. Volume 2, *A Bibliography of Business Ethics 1971-75* is devoted entirely to business issues. Donald G. Jones of Drew University, the author, has provided a lengthy introduction to the field.

Center for the Study of Values. The executive director of the American Philosophical Association, Norman E. Bowie, directs this center at the University of Delaware, Newark, Delaware 19711. It publishes the *Value Center News*, conducts conferences on issues involving business ethics and government, and publishes a Directory of Research Persons in Applied Ethics. Under a grant from the National Endowment for the Humanities, a Committee for Education in Business Ethics, which includes Professor Bowie, has just concluded a two-year project to develop a paradigmatic course in business ethics, guidelines, and associated teaching materials. The committee is composed of three professional philosophers, three business school professors, and three prominent business men. The course they

developed was team-taught experimentally during 1978-79 at six major institutions—University of Delaware, Pittsburgh, Northwestern, Minnesota (Morris), California State (Long Beach) and the Wharton School. The evaluations of the course have been completed and the committee will publish its findings and guidelines in the near future. One of the chief recommendations is that the course be team-taught. The committee will continue to function and disseminate the materials it has developed. Thomas Dunfee of the Wharton School will direct the committee's activities.

Hastings Center. Since 1969, the pioneering Hastings Center, (officially the Institute of Society, Ethics and the Life Sciences), has been conducting major studies of the teaching of ethics in a wide variety of academic fields. In July, 1979 the Center conducted its eighth summer workshop, involving 150 teaching faculty and 25 lecturers. This program has recently produced model syllabi as well as bibliographic and associated materials for courses in business ethics. Pioneering work has been done in defining the subject content in various fields and in developing appropriate pedagogies. Careful analyses have been made of problems involved in the partisan modes in which ethics is sometimes taught. Extensive studies of moral development, goals of ethics teaching, recent teaching trends, and surveys of their development have been made. Besides a well-known fellowship program, the Center publishes the bimonthly *Hastings Center Report*. Daniel Callahan, one of the two founders of the Institute, directs its activities. The address is 360 Broadway, Hastings-on-Hudson, New York 10706.

Institute of Policy Sciences and Public Affairs. The Institute is affiliated with Duke University and is directed by Joel L. Fleishman. The institute is publishing a study of the problems associated with the development of ethics curricula in public policy programs. The address is 4875 Duke Station, Durham, North Carolina 22706.

Society for Values in Higher Education. Institutes on Ethics and Management have been conducted for the past two summers by the Society in cooperation with the Yale School of Organization and Management. Subjects dealt with by over 120 faculty and staff include ethical resources for managers, the scope and purpose of teaching ethics for managers in educational institutions, pedagogy, developing case materials, and many other topics involved in the field. A large number of model courses have been developed together with bibliographic resources which are to be published. David C. Smith is Executive Director of the Society, located at 363 St. Ronan Street, New Haven, Connecticut 06511.

Many more centers, institutes, and other sources of business ethics research provide services for the development of curricula in the field. Singled out here have been institutions which are particularly productive, offer a wide range of information of contemporary interest, and have generously provided voluminous data for use in the production of this monograph. Through contact with these organizations, AAC schools will find ample materials with which to begin or carry on their curricular planning.

Funding for the Teaching of Ethics

In addition, the following sources have supported projects for teaching ethics in colleges and universities. While it is impossible to be exhaustive, these listings provide sources and examples of grants. Of course, before any application is made, the potential grantee should do further research on the funding source and visit the program officer in person, if possible. Guidelines and priorities can change quickly, and often there is money available for a strong program even if it fails to meet the stated criteria.

Government

National Endowment for the Humanities
806 Fifteenth Street, Northwest
Washington, D.C. 20506
Geoffrey Marshall, Director, Education Division

The NEH is the single best source of funding for curriculum projects in ethics. It has supported activities in undergraduate general education programs as well as professional schools of medicine, law, and business. A few examples of its grants include:

Illinois Institute of Technology—$15,432 for workshops on moral issues in engineering
St. Olaf College—$112,749 to integrate the Christian humanist tradition into the humanities curriculum
Douglass College, Rutgers University—$46,532 for an experimental program in philosophy and contemporary issues
Boston University—$49,070 for four courses on ethics and medicine
George Washington University—$36,345 for a seminar for medical practitioners
Vanderbilt University—$20,000 for ethics and public policy institute

National Science Foundation
Science Education Directorate
5225 Wisconsin Avenue, Northwest
Washington, D.C. 20550
Alexander J. Morin, Director, Office of Science and Society

This office includes the Ethics and Values in Science and Technology (EVIST) program, as well as activities directed toward the out-of-school public. EVIST cooperates closely with its NEH counterparts, sometimes

funding projects jointly. Most of the grants at NSF are research rather than teaching awards, although a few awards of special interest include "Summer Institute on Philosophical Ethics for Science and Engineering Faculty" at the University of Maryland. NSF has also funded a Resource Directory to Courses and Programs in the Ethical and Human Value Implications of Science and Technology, published by the American Association for the Advancement of Science.

Foundations

The following foundations have made awards for the teaching of ethics. (These are grants that are listed by the Foundation Center and may not include all awards made throughout the country.)

The Bill Raskob Foundation, Incorporated
Post Office Box 4019
Wilmington, Delaware 19807
Gerard S. Garey, Secretary

1977—$5900 to Georgetown University for student-oriented program on ethics and foreign policy

Carnegie Corporation of New York
437 Madison Avenue
New York, New York 10022
Sara L. Engelhardt, Secretary

1977—$197,600 to Hastings Institute for teaching of ethics in postsecondary education

Commonwealth Fund
One East Seventy-fifth Street
New York, New York 10021
Reginald H. Fitz, Vice President

1977—$20,000 to Institute for the Study of Humanistic Medicine to study the way attitudes and values develop during the education of professionals in law, medicine and other fields

Danforth Foundation
222 South Central Avenue
Saint Louis, Missouri 63105
Gene L. Schwilck, President

1978—$137,000 to Educational Testing Service for development of assessment techniques for moral and citizenship education programs.

1976—$141,226 to Boston University for work of Dr. R. Mosher in developmental moral and civic education (secondary school)

1976—$211,080 to Carnegie-Mellon University for work of Dr. E. Fenton in developmental moral and civic education (secondary school)

1976—$133,774 to Howard University for work of Dr. C. Kohlberg in developmental moral and civic education (secondary school)

1975—$20,000 to Aspen Institute for Humanistic Studies for program on "Education for a Changing Society"

Cleveland H. Dodge Foundation
641 Lexington Avenue
New York, New York 10022
Robert L. Strong, Administrative Director

1975—$60,000 to Society for Values in Higher Education to support programs in religion

The Ford Foundation
320 East Forty-third Street
New York, New York 10017
Howard R. Dressner, Secretary

1977—$14,200 to Hastings Institute for ways to introduce ethics into curriculum of graduate schools of public policy and of relations between ethics and policy analysis

1976—$170,573 to Harvard University Graduate School of Education for studying units within high schools that follow principles of democratic governance and respect for students' rights

1976—$10,000 to Prospective Foundation for Research and Communications for international conference on biology and ethics

Edward W. Hazen Foundation
400 Prospect Street
New Haven, Connecticut 06511
Mrs. Anne L. Hoblitzelle, Assistant Director

1977—$10,000 to Society for Values in Higher Education for capital funds program

1975—$15,000 to Hastings Institute for workshops and materials on biomedical ethics

James Irvine Foundation
One Market Plaza
Steuart Street Tower, Suite 2305
San Francisco, California 94105
Miss Claire F. Denahy, Secretary-Treasurer

1975—$130,500 to Claremont Men's College for applied ethics program

Henry J. Kaiser Family Foundation
Two Palo Alto Square
Palo Alto, California 94304
Robert G. Lindee, Vice President

1976—$100,000 to University of California-Berkeley in cooperation with Pacific School of Religion for bioethics program which provides interface between medicine and theology

Lilly Endowment
2801 North Meridian Street
Indianapolis, Indiana 46208
Thomas Lake, President

1977—$20,448 to Goucher College for program on ethics in the education of women for the professions (also $86,920 in 1976)

1976—$24,962 to Syracuse University for study on moral education

1976—$83,850 to North Central College for continued funding of values-oriented program (also $100,000 in 1975)

1976—$21,200 to Syracuse University to study future elements of moral education

1975—$135,000 to Cornell University for development of program in moral and ethical aspects of professional teaching

1975—$285,910 to American Institute for Character Development for peer-managed moral development model

1975—$62,409 to Brigham Young University for extension of work preparing materials related to moral development and ethical reasoning

1975—$50,000 to Catholic Committee on Urban Ministry for general support and program on values and social order

1975—$100,000 to Center for the Exploration of Values and Meaning to establish an institute for religious development

1975—$100,000 to Earlham College to establish a center for human development and social relations

1975—$75,394 to Loyola University (Illinois) for projects on values in public life

1975—$19,700 to Wabash College for institute on religious and moral implications of teaching

The Henry Luce Foundation, Incorporated
111 West Fiftieth Street
New York, New York 10020
Robert E. Armstrong, Vice President and Program Director

1978—$250,000 to Harvard University, John F. Kennedy School of

Government to establish Henry Luce Professorship in Ethics and Public Policy

1978—$250,000 to Amherst College to establish Henry Luce Professorship in Comparative Religious Ethics

1976—$225,000 to Haverford College to establish Henry Luce Professorship in Ethics and Professions

1975—$20,000 to Graduate Theological Union, Center for Ethics and Social Policy (California) for program on ethical dimensions of problems in social policy

1975—$60,000 to Johns Hopkins University, School of Health Services for program on questions of human values and ethical issues in health care

1975—$75,000 to University of Southern California for Institute for Values in the Professions

Pew Memorial Trust
c/o The Glenmede Trust Company
1529 Walnut Street
Philadelphia, Pennsylvania 19102
Robert I. Smith, President

1977—$50,000 to Georgetown University to support Ethics and Public Policy Center

Smith Richardson Foundation, Incorporated
5000 Laurinda Drive
Post Office Box 3265
Greensboro, North Carolina 27402
G. C. Eichhorn, Administrative Vice President

1974—$50,000 to University Center for Rational Alternatives (NYC) for conference on ethics of teaching

Rockefeller Brothers Fund, Incorporated
1290 Avenue of the Americas
New York, New York 10019
Russell A. Phillips, Jr., Secretary

1977—$25,000 to Hastings Institute for project on teaching of ethics

1977—$12,500 to National Endowment for the Humanities toward expenses of Institute on Law and Ethics by Council for Philosophic Studies

1977—$5000 to Indiana University, Poynter Center, for special study project on the moral foundations of American institutions

The Rockefeller Foundation
1133 Avenue of the Americas
New York, New York 10036
Laurence D. Stifel, Vice President and Secretary

1977—$160,000 to Hastings Institute for its program in the humanities ($174,000 in 1975)

1975—$15,316 to University of Wisconsin-Madison for humanities fellowship for study of environmental ethics

1975—$13,345 to University of California-Santa Barbara for research on environmental quality and environmental ethics

1975—$13,179 to University of Kentucky for humanities fellowships for study of philosophical and ethical problems raised by advances in biology and medicine with respect to chronically and terminally ill

1974—$5000 to Cornell University to study approaches to environmental perceptions, values and attitudes

1974—$458,000 to Duke University for program on humanistic perspectives on public policy

1974—$15,000 to Indiana University for study of law, ethics and biology in relation to population problems

1974—$24,303 to University of California-Santa Barbara for research on values and ethics in protection of nonhuman life and nonliving matter

1974—$30,455 to Harvard University for projects on moral development and education in young adulthood

The Spencer Foundation
875 North Michigan Avenue
Chicago, Illinois 60611
Mrs. Marion M. Faldet, Secretary

1975—$38,100 to Wesleyan University for study of enduring effects of education on values

Harry G. Steele Foundation
4500 Campus Drive, Suite 201
Newport Beach, California 92660
Richard Steele, Vice President

1976—$5000 to Intercollegiate Studies Institute (Pennsylvania) for program on values and institutions of American traditions

The Trull Foundation
328 Welch Street
Post Office Box W
Palacios, Texas 77465
Robert B. Trull, Chairman

1976—$5095 to Texas Conference of Churches for Value of Life Program

Alice Tweed Tuohy Foundation
1006 Santa Barbara Street
Santa Barbara, California 93101

1977—$62,500 to Claremont Men's College toward endowment of chair in ethics

1976—$15,000 to Claremont Men's College to study effectiveness of various methods of teaching ethics

Corporate and Other

In addition to the awards already listed, many corporations and local donors support programs in the teaching of ethics. For example, the Levi Strauss Foundation is concerned with corporate social responsibility offerings in schools of business, while the Univar Corporation (Seattle) has funded research to develop business ethics courses and define the moral dimensions of business and its environments. Because of the often local or specialized nature of such awards, they are not catalogued in national directories. Best sources for information would be guides to foundations in a given state, annual reports of corporate foundations, and development officers on each campus who would know the local scene.

A Concluding Word

Survey data, information about curricular development, and funding sources are vital ingredients in the task of curriculum building. Using such information will aid the process of improving the definition and establishing the scope, specific methods and objectives of business ethics courses. Perhaps the most important of the ingredients, however, is institutional commitment. That will probably emerge as the arguments for the necessity of such courses in institutions dedicated to liberal education make an impact.

We have urged that the development of the area of business ethics is not the concern solely of professional schools. The subject matter involves major conceptual, moral, and social issues inherent in the nature and content of liberal education curricula. The subject presents ideal opportunities for stimulating novel methods of teaching and learning, for enriching faculty development efforts, and for achieving the humane dimensions of education in ways that legitimately satisfy the contemporary thirst for practical value and applicability. In a word, business ethics has a multi-dimensional array of benefits and attractions for students and faculties alike. By developing the field and adopting the courses, institutions can not only enrich the academic process, but also dramatically display its value and utility in a time of increasing need for the integration of liberal learning and professional study. These effects, together with the consequences for society of producing functionally effective graduates who have come to grips with the myths and realities of "economic man," should evoke liberal education's best efforts.

The news in the Wall Street Journal is not likely to get better without them.